
CARGILL: **STILL** THE WORST

How a single American company sabotaged
the world's biggest breakthrough for forests



“It would be unforgivable for a giant company like Cargill to claim publicly to be transforming its supply chain, while at the same time resisting efforts to agree an end to soy-related habitat conversion in the run up to COP27”

Lord Goldsmith,
Former UK International Environment and Climate Minister

SUMMARY

This report reveals for the first time how the US agribusiness giant Cargill scuppered a year-long drive by industry and governments for a global deal to end all deforestation linked to soy animal feed. Deforestation caused by soy production is at record levels in the vast but largely unprotected Cerrado savannah in Brazil¹ and is devastating other climate-critical biomes such as the Santa Cruz and Chiquitania tropical forests in Bolivia. It is also destroying the livelihoods of local and Indigenous communities and threatens to wipe out more than 4,800 endemic species of plants and animals in the Cerrado alone.²

As the world came together for the COP27 UN Climate Change Conference in Sharm el-Sheikh in Egypt last November, hopes were high that 14 of the world’s largest commodity traders would announce an end to all soy-driven deforestation and destruction and agree on an immediate zero-deforestation cut-off date of 2020 — which would prohibit and ban the sale of all soy products linked to both legal and illegal deforestation and ecosystem destruction grown after 2020.³

The deal was considered vital because of soy’s outsized contribution to ecosystem loss, global heating and the climate emergency. Soy is grown to feed livestock in industrial farming systems producing poultry, pork, dairy, beef and farmed fish products for markets in Europe, the US and China. In 2022, soy-driven emissions from the Cerrado in Brazil were higher than the entire greenhouse gas output of Austria, Denmark or Greece.⁴ More broadly, land use change — particularly deforestation — is the second-largest contributor⁵ to global heating, and soy-linked ecosystem “conversion” is the second-largest cause of deforestation.⁶

The push for a deal at COP27 had momentum. Major commodity companies Amaggi and Louis Dreyfus Company (LDC)⁷ were committed to the initiative and the US and UK Governments were shouldering an effort to secure a Paris Agreement-aligned Agriculture Sector Roadmap to 1.5°C with concrete pledges on soy destruction from agribusiness firms, in time for the COP27 November conference wrap. But they failed.

In negotiations facilitated by the Tropical Forest Alliance which stretched for over a year, our investigation found that Cargill almost single-handedly scuppered an industry-wide agreement that could have turned the tide on rapidly ending soy-driven deforestation in South America and elsewhere.

A four-month investigation by Mighty Earth involving multiple interviews with some of the key participants closest to the negotiations found that while Cargill publicly claimed to be accelerating an end to ecological destruction along its supply chains “in the shortest time possible,”⁸ behind-the-scenes, Cargill was lobbying and manoeuvring to prevent precisely that outcome.

Deforestation: Sorry, not sorry

In August 2021, Cargill had proclaimed to the world that it was “transforming our soy supply chain to be deforestation and conversion-free,”⁹ but six months later we discovered its powerful soy trade representatives,¹⁰ FEDIOL and COCERAL, privately appealed to the European Commission’s Director-General for Climate Action, Mauro Petriccione, to slow the pace of soy supply chain reform, and dilute proposals on soy traceability and segregation. The private lobby document, part of a bid to weaken the EU’s flagship zero-deforestation regulation (the EUDR), also lauded the status quo in the Cerrado in Brazil as an example of how to “de-link soy production from deforestation.”¹¹ A separate secret lobby document sent by soy trade associations FEDIOL and COCERAL to the European Commission the year before, argued that the expansion of soy did not drive deforestation in Brazil.¹²

Deal blocked in run up to COP27

With support from fellow US agribusiness giant, ADM, Cargill put the growth of its \$177 billion a year revenue stream above the planet’s climate and life support mechanisms, such as the Amazon, the Cerrado, Pantanal, Chiquitania or the Gran Chaco, in South America. Sources interviewed by Mighty Earth say that the two firms blocked a ban on deforestation and ecosystem destruction in the run up to COP27, heaping pressure on the companies that had promised to phase out ecosystem destruction by 2025 to backtrack.

In the end, the final Roadmap deal for soy unveiled at COP27 failed to agree a target date to end to all habitat destruction in all natural ecosystems and failed to set an immediate zero-deforestation cut-off date of 2020—the date after which companies like Cargill would prohibit and ban the sale of soy products linked to both legal and illegal deforestation and ecosystem destruction.

Lord Goldsmith, the former UK Minister for International Environment and Climate, who was closely involved in the Roadmap negotiations said: “There are plenty of companies and countries that have managed to break the link between environmental degradation and agricultural commodities, which are the biggest cause. So, it would be unforgivable for a giant company like Cargill to claim publicly to be transforming its supply chain, while at the same time resisting efforts to agree an end to soy-related habitat conversion in the run up to COP27.”¹³ Lord Goldsmith added: “Companies should be applauded for genuine efforts, but they should also be called out when they resist reforms that are quite literally essential for the future of our planet.”¹⁴

This report calls out Cargill for continuing to be, as Mighty Earth wrote in 2019,¹⁵ the “Worst company in the World”, for its appalling track record on deforestation, ecosystem destruction, human rights and public health. With the world in flames and to stand any chance of a Paris-aligned and liveable future, it’s time for Cargill to be dramatically reined in and to urgently accept that business-as-usual is no longer a viable option in a global climate emergency.

Mighty Earth urges Cargill to:

- Commit to an immediate end to all legal and illegal deforestation and ecosystem destruction in its global soy supply chains and adopt and implement a “No Deforestation, No Conversion” policy that bans and blacklists all farms and traders linked to deforestation and ecosystem destruction after a 2020 cut-off date.
- Commit to end all global lobbying efforts that contract or seek to weaken, undermine or delay immediate “No Deforestation, No Conversion” policies and a 2020 no-deforestation cut-off date.
- Set goals and implementation plans to reduce methane emissions in its meat supply chains by at least 30% by 2030.
- Set goals, plans and targets on regenerative agriculture and agroecology.
- Sets targets and support the shift to plant-based and alternative proteins.
- In the run up to COP28, urge other soy traders to update the Agriculture Sector Roadmap to ensure the Soy Implementation Plan meets the primary aim of defining action in line with a 1.5°C degree future.

INTRODUCTION

COP27 was going to be the climate summit that finally took action to end deforestation

Despite the COP26 Glasgow Leaders' Declaration on Forests to halt forest loss by the end of the decade,¹⁶ global tropical primary forest loss jumped 10% and totalled 4.1 million hectares in 2022,¹⁷ stoking climate emissions and scorching the planet's carbon sinks. All this forest loss produced 2.7 gigatonnes of CO₂ emissions, equivalent to India's annual fossil fuel emissions. Nowhere was worse affected than Brazil, where successive governments had incentivised farmland expansion — particularly in the Amazon and the Cerrado¹⁸ — to feed Brazilians and drive a growth model that has made the country one of the top five global producers of a basket of agri-commodities, based on soybeans, cattle, sugar, and corn.¹⁹ In Brazil, agriculture is responsible for 96% of forest loss.²⁰ In the vast and largely legally unprotected Cerrado savannah, deforestation hit a seven-year high in 2022,²¹ while in Bolivia deforestation jumped by a huge 32% in a year to a record high last year,²² with key biomes such as the Santa Cruz and Chiquitania forests under severe threat.

Cargill at the centre of a global soy scandal

Running into the negotiations on the COP27 deal, Cargill had the greatest exposure to soy-driven destruction in Brazil of any private company except Bunge.²³ While it is committed to becoming deforestation and conversion-free by 2030,²⁴ Cargill had controversially rejected a proposed industry-wide moratorium on soy produced on converted land in the Cerrado in Brazil in 2019,²⁵ and a little later — despite all evidence to the contrary — privately denied any link between soy and nature destruction in high-level representations to the EU's Commissioner for International Partnerships Jutta Urpilainen in mid-2020. "Conversion of land for soy is predominantly taking place in previously degraded land or pasture and therefore soy cannot be considered as a driver of deforestation in Brazil," said a lobbying document from its trade associations

FEDIOL and COCERAL sent to the European Commission in May 2020.²⁶ The document was released under EU access to documents laws.

Indeed, earlier this year, Cargill was served with a legal challenge at the OECD in the United States by the public interest law firm ClientEarth,²⁷ alleging that it failed to properly monitor its soy supply chains for exposure to widespread deforestation and human rights violations in Brazil, in breach of the due diligence obligations under the OECD Guidelines for Multinational Enterprises.²⁸ The legal challenge relates to the 42% of its Brazilian soy that Cargill buys from indirect suppliers, including soy that it sources from the Amazon, Cerrado and Atlantic Forest. In this context, Cargill's opposition to moratoria on soy-related habitat destruction in the Cerrado cast a long shadow over global attempts to agree with just such a conservation measure in the run up to the COP27 summit.

The Cerrado: A deforestation hotspot for soy

The Cerrado, Brazil's "forgotten jewel," is a vast ecosystem of tropical savannah, forest, scrub and wetlands. It is home to 5% of the planet's flora and fauna,²⁹ including species threatened by extinction, such as giant anteaters, maned wolves, jaguars and armadillos.³⁰ Known as an "upside down" forest, the Cerrado stores around 13.7 billion tons of carbon in its soils and deep root system,³¹ nearly half as much as in the Congo Basin's tropical peat swamp forest.³² Although its historic area covers 200 million hectares³³ — about 20% of the country — the less legally protected Cerrado is disappearing twice as fast as the Amazon,³⁴ and more than half of the Cerrado has been lost to cattle ranching and soy growing in the last 50 years.³⁵

Long road to COP27

The year-long roundtable discussions on deforestation and conversion were backed by the US and UK Governments — and facilitated by the Tropical Forest Alliance — to bring the agri-sector in line with the Paris Agreement goal of limiting global heating to 1.5°C,³⁶ ahead of COP27. The talks — which began in January 2022, shortly after 100 political leaders pledged to halt deforestation by 2030 at COP26 in Glasgow³⁷ — were intended to secure a clear roadmap to set tough environmental limits on the key forest-risk commodities driving global deforestation and ecosystem loss, namely cattle, soy and palm oil.

They made headway in crucial aspects. In the Agriculture Sector Roadmap to 1.5°C, eventually announced at COP27, the cattle companies committed to “no-deforestation” for both direct or indirect suppliers in the Amazon by 2025.³⁸ While the cattle industry commitment did not extend sufficient protections to ecosystems outside the Amazon, it did represent important progress in their efforts to tackle deforestation. The palm oil industry pledged to implement no deforestation, no peatland destruction and the no destruction of forests and natural ecosystems across all its supply chains by 2025, building on the 90%-plus reduction in deforestation they had already achieved over recent years.³⁹

However, where soy was concerned, “the lack of progress stunk up the document,” said a senior talks insider, who spoke on condition of anonymity.⁴⁰ Negotiations on soy had begun in January 2022 and proceeded via the Soft Commodities Forum,⁴¹ a platform facilitated by the World Business Council on Sustainable Development, which brings civil society groups and retail groups together with six major agribusinesses — ADM, Bunge, Cargill, COFCO, LDC and Viterro — to end deforestation and land conversion. Draft documents were circulated, and face-to-face workshops took place over an eleven-month period.

Lucie Smith, a senior manager at the Soft Commodities Forum, said that land clearances for soy in the Cerrado in Brazil were a focus of these negotiations as currently “most clearing can take place legally” there.⁴² While around 80% of the Amazon has some legal protection from deforestation, in the vast Cerrado savannah that figure is closer

to 25%.⁴³ Smith added: “One important lever to tackle deforestation and native vegetation conversion is the economics of food production, so we were also supporting the introduction of new financing mechanisms to incentivise Brazilian farmers to produce more sustainably.”⁴⁴

But the document being drafted was “very clearly a corporate-driven roadmap,” according to a senior coordinating figure in the talks, who spoke on condition of anonymity.⁴⁵ “It was not meant to be a multi-stakeholder process.” And this lack of external scrutiny created its own problems.

Ultimately, the major soy traders could only agree to a vague and highly ambiguous public commitment to “the removal of deforestation” for soy production in the Amazon, Cerrado and Chaco regions by 2025. Further, no curbs were agreed on the destruction — or the legal “conversion” allowed under local legislation — of ecosystems such as the semi-forested Cerrado in Brazil, and there was no agreement on a deforestation cut-off date of 2020.⁴⁶ The Agriculture Sector Roadmap to 1.5°C was signed by 14 major agribusinesses representing over 60% of Brazilian soy exports, more than 50% of Brazilian beef exports and around 45% of Indonesia’s palm oil exports in 2020.⁴⁷

Cargill

Cargill is the largest US private corporation,⁴⁸ with revenues of \$177 billion.⁴⁹ Founded by William Wallace Cargill in 1865, the company is 90% owned by his descendants in the Cargill and MacMillan families. A grain and agricultural commodities purchasing, distribution and trading firm, Cargill employs 166,000 people around the world.

Paris alignment?

The need for a plan to end soy-driven ecosystem loss became increasingly obvious after years of global industry pledges to end deforestation by 2020 came to nought.⁵⁰ So it was that at the Glasgow COP26 climate summit the next year, a dozen agribusiness companies with a combined annual revenue of \$500 billion vowed that, “By COP27, we will lay out a shared roadmap for enhanced supply chain action consistent with a 1.5 degrees Celsius pathway.”⁵¹


The word “**removal**” of deforestation is very weak as it fails to commit to “**end**” deforestation by 2025. This sentence also fails to include the phrase “... **and the conversion of forests and other natural ecosystems.**”

Compliance is limited to **illegal deforestation only**, i.e. it allows **legal soy-driven deforestation** to continue. Note up to 80% of property in the Cerrado can be legally deforested under Brazilian law.

Soy Sector

1

Commodity Implementation Plan



Ambition

Companies will drive the elimination of deforestation and the protection of native vegetation in soy producing areas in line with 1.5°C pathway

Time-bound Targets

Sector
2025 target date for the **removal of deforestation** for soy production in the Amazon, Cerrado and Chaco, and the **protection of non-forest ecosystems in compliance with relevant local legislation.** **Compliance with forest protection laws in all soy origins**

Scope

Geography
Implementation plans will prioritize the Amazon, Cerrado, Chaco. Biomes are defined by the official boundaries set up by the countries where they are located. For the Amazon, the compliance with the soy moratorium remains applicable

By the end of 2023, a soy sector global assessment of the risk of conversion of natural ecosystems to soy production will be completed, with input from governments, producers, and other stakeholders considering environmental, economic and social impact. According to the global risk assessment, companies will develop additional implementation plans and targets as needed

Operations
All the company's business units including all Joint Ventures (JVs) and legal entities under company's responsibility

Implementation plans apply to all JVs and other legal entities with the same concept where the company is a majority shareholder. Where the company is a minority shareholder, the company should engage with their partners to develop their own implementation plan

Sources Direct and indirect supply of soy **Product Types** All soy products

The geographic **Scope** of the Soy Implementation Plan is limited to just three key biomes and does not include other threatened ecosystems in Brazil such as the Pampa, Pantanal, the Atlantic Forest, or Santa Cruz and the Chiquitania in Bolivia.

Demystified : Agriculture Sector Roadmap to 1.5°C, Soy Implementation Plan

Mighty Earth adaptation of https://www.tropicalforestalliance.org/assets/Agriculture-Sector-Roadmap-January-2023_compressed-compressed.pdf

Commodity Implementation Plan

Supply Chain Mapping & Traceability	Traceability to farm based on property boundary data is required for all origins within high-risk areas. Where not available, a geolocation point with a radius can be deployed with an estimation of soy deforestation free area that is sufficient to determine compliance to the commitment. Companies will work to define "high-risk" by end of 2023
Cut-off Date	Companies undertake best efforts to establish individual cut-off dates for deforestation no later than 2025 and will establish policies, practices, and monitoring protocols to discourage additional land clearing in the period before the relevant target dates, prioritizing production on planted grasslands, degraded pastures, other agricultural land, and other types of open, suitable land
Monitoring	Companies to have systems in place to monitor deforestation and/or conversion to soy of areas larger than 25 hectares. The following sources of land use change monitoring may be used: Global Forest Watch, PRODES, MAPBIOMAS and others
Response	Each participating company will create a response framework for non-compliance by 2025
Remediation	Non-compliant suppliers are expected to develop, implement, and monitor plans that define the specific actions that will be taken to correct and remedy non-compliances
Verification	Implementation plans to describe the details of third-party processes to verify reported traceable, deforestation-free and conversion-free percentages based on volumes. Reporting on non-compliance, against a common set of indicators, will be done by companies on an individual basis, with a standardized procedure for verification and auditing. The AFI Operational Guidance on Monitoring and Verification has elements that can be used to inform the implementation plans
Operating Model	In June 2023, the sector will develop a common framework, from which each company will develop its approach, to remove from each company's supply chain the amount of volume produced in the plot of land not in compliance with the commitment
Regulatory	Companies will continue to ensure that their implementation plans, and the execution of those plans, are compliant with applicable competition law
Definitions	Deforestation: loss of natural forest with greater than 10% canopy cover (consistent with UN FAO 'forest' definition) as a result of conversion to soy planting Conversion: By the end of 2023 the sector, with input from other stakeholders, will develop definition(s) that can enable the implementation of no-conversion policies

The plan contains no commitment to a 2020 zero-deforestation cut-off date. Instead, companies should undertake "best efforts" to establish individual cut-off dates "no later than 2025".

The definition of deforestation refers to FAO's narrow "forest" definition, meaning vulnerable woody landscapes that are not classed as "forests", e.g. savannahs, grassland, wetland and peatlands, are not included.

Demystified : Agriculture Sector Roadmap to 1.5°C, Soy Implementation Plan

Mighty Earth adaptation of https://www.tropicalforestalliance.org/assets/Agriculture-Sector-Roadmap-January-2023_compressed-compressed.pdf

The genesis of this “shared roadmap” was planted by the US Special Presidential Envoy for Climate, John Kerry, and the UK’s COP26 President, Alok Sharma.⁵² Officials from the Tropical Forest Alliance — an umbrella group hosted by the World Economic Forum⁵³ — worked with company representatives and the food and retail sector-focused Soft Commodities Forum to outline the roadmap’s elements, frame them into three pillars, and then hone these down to tangible public commitments consistent with the Paris Agreement goals.

Key sources close to the talks say two key priorities quickly emerged. “The alignment around 1.5°C was like a totem we were all holding on to,” said a senior figure in the talks, who spoke on condition of anonymity.⁵⁴ “This was somewhat ambiguous as there is a gap between what the science — what the IPCC — says is 1.5°C compliant, and how that could be implemented by the agribusiness sector. But it was very important to everyone who signed the statement.”⁵⁵

The second priority was “being very explicit about no deforestation in the Amazon and no deforestation — or ecosystem conversion — in the Cerrado and Gran Chaco in Brazil,” the senior figure added. “That was something that the governments were keen on seeing a commitment to—by a specific date—and it was something that the companies were hearing [from them].”⁵⁶

The date that John Kerry and the UK Government negotiators had in mind was 2025, the official added. Implementing such a pact could stop the direct conversion of an estimated 3.6 million hectares — 36,000 sq km — of native vegetation to soybeans by 2050.⁵⁷

But the earlier Glasgow COP26 statement had been signed by 10 agribusiness CEOs⁵⁸ whose “arms were being twisted” by government officials and who may not have fully realised its implications, according to the talks insider.⁵⁹ “That dynamic has happened before,” the person continued. “The CEOs sign something without understanding what they are signing. The fact they had [signed it] meant they knew nothing about the science around climate change as to get on a 1.5°C pathway, you have to take emergency short-term action to control your land use footprint.”⁶⁰

“Almost by definition, such action would need to include compensation for Brazilian farmers whose livelihoods would be affected by the soy restrictions—and this demanded funding commitments,” the talks insider added.

FEDIOL lobbies against all soy deforestation regulation

This may be one reason why the EU executive swatted aside behind-closed-doors complaints by FEDIOL that the EUDR would have “negative impacts on trade.” Newly revealed minutes of a lobby meeting held in the same month as COP26 in Glasgow show that the cabinet of European Commission Vice-President Frans Timmermans “insisted on the necessity of action, the sovereign choice by the EU and its citizens not to be part of global deforestation through their consumption – and that the EUDR was not meant to hamper trade, but to clean it up.”⁶¹

In February 2022, FEDIOL warned again that adopting the EUDR would trigger “supply shortages in the EU leading to higher prices” – particularly for soy – and trigger “disproportionate administrative and logistical burdens.”⁶² Far from pushing for a transformation to deforestation and conversion-free soy as quickly as possible, Cargill’s trade representative FEDIOL vehemently opposed proposals on traceability, geolocation, penalties, the separation of deforestation-free products and due diligence obligations. The FEDIOL minutes and 20-page proposal for an overhaul of the deforestation regulation were released under EU “access to documents” law.

Cargill sticks to a 2030 zero-deforestation date

Some major soy trading companies, such as Amaggi⁶³ and LDC,⁶⁴ had already made public promises to end deforestation and conversion in their soy supply chains by 2025, but others — including the largest of them all, Cargill — had not. Cargill was instead committed to being deforestation and conversion-free in 2030.

Asked why Cargill would not make commitments on zero ecosystem conversion and destruction by 2025, one official involved with the company said: “Because they would lose substantial amounts of money, at least in the short to medium term.

They make no secret of that. It's obvious that if they significantly scaled back soy trading options in Brazil and took the time to really grapple with this, they would lose significant income from their trading revenues, and executive salaries are tied to that through bonuses and so on. That's the reality."⁶⁵

Soy-related ecosystem conversion in Brazil was "the number one issue" for Cargill internally, the official said. Cargill executives would argue that their margins were so small that they had to be cautious, "unless customers are prepared to absorb the costs," the official told Mighty Earth.

Cargill's website says that it is increasing its offerings of verified deforestation- and conversion-free products.⁶⁶ However, rather than signing up to the civil society-driven Cerrado soy moratorium in 2019,⁶⁷ the firm announced the launch of a \$30 million Land Innovation Fund instead.⁶⁸

Cargill declined to respond to questions about its failure to agree to a zero-deforestation deal at COP27 — or about how much revenue they made from soy operations in the Cerrado. In fact, the firm elected not to respond to 16 detailed questions that Mighty Earth submitted.⁶⁹ However, Cargill's media relations director, Nicole Marlor, said: "Cargill was one of the original signatories of the Corporate Statement of Purpose that was launched at COP26 and actively worked with the industry to align on the Agriculture Sector Roadmap introduced at COP27. The Agriculture Sector Roadmap is the most significant industry collaboration since the Amazon Moratorium [of 2006], and we are proud to be one of the 14 companies that came together to address deforestation in key biomes and supply chains by 2025, as we know we can make positive progress faster and at a greater scale when we work collaboratively. As an industry, we collectively aligned on all aspects of the roadmap as the best path forward for protecting these critical South American forest ecosystems."⁷⁰

But that was not how it seemed around the Roadmap negotiating table, as COP27 approached, according to one government official close to the talks who said that of all firms involved, Cargill was "... the most difficult one [and] resisted extending the agreement to a 'no-ecosystem' conversion target."⁷¹ Whatever their differences on the soy conversion issue, the giant agribusiness companies stuck

together in the negotiations, with the more and less ambitious firms refusing to be played off against each other. On Earth Day on 20 April 2022, ADM had committed to "100% deforestation-free supply chains by 2025" that would allow continued soy conversion, and this soon became an alternative pole of attraction.

"On several occasions we raised the question: 'Are there some of you who'd like to split off from the others with more ambitious cut-off dates?'," said the senior coordinating figure. "There was [always] a very clear pushback, saying 'We're not going to do that. We're going to go through this problem as a sector'. We tried to push that but there was little interest in it."⁷²

Key phone call

By October 2022, a month before COP27 opened, a key phone call was organised between all 14 agribusiness CEOs, US Special Presidential Envoy for Climate, John Kerry and the then-UK International Environment and Climate Minister, Lord Goldsmith. The objective was to nail down the Roadmap statement's wording. A moratorium on soy grown on farms in cleared parts of the Cerrado and the Gran Chaco was "clearly in the minds of Lord Goldsmith and John Kerry," said the senior figure in the negotiations. "2025 was the critical date."⁷³ The talks insider commented: "John Kerry doesn't have huge amounts of firepower to intimidate CEOs, so they took the call, but it wasn't really going to drive their behaviour, given the realities of the economics they're dealing with." The government official added: "From a comms-strategic messaging perspective everyone focuses on deforestation in the Amazon and so conversion in the Cerrado gets much less attention."⁷⁴

Nonetheless, negotiators had hoped to use the more far-reaching commitments made by Amaggi, Bunge and LDC — the largest soy traders in Brazil — to leverage concessions from Cargill and "pull the sector up to that level," according to the insider at the talks. "But it became clear that Cargill and ADM were leading the efforts to narrowly restrict any commitment made around 2025 to deforestation, and that is where the sector landed." As the senior figure around the roundtable put it: "Certain companies are more powerful than others."⁷⁵

Regardless, the palm oil and cattle agribusiness representatives felt disappointed at the muted global response to the final agri-commodity Roadmap released by the UK and US Governments, the talks insider said.⁷⁶ “They felt they’d shown a reasonable amount of ambition whereas the soy sector had ruined the whole thing.”

Weak COP27 Roadmap

The final Agriculture Sector Roadmap to 1.5°C released at COP27 refers to the UN FAO definition of “forest” in defining “deforestation” as “the loss of natural forest with greater than 10% canopy cover ... as a result of conversion to soy planting.”⁷⁷ The Roadmap soy commitments were denounced by civil society organisations as “a step backwards”⁷⁸ because the FAO definition⁷⁹ — which is not present in Brazil’s Forest Code or the 2019 Accountability Framework Initiative (AFi) standard⁸⁰ — allows companies such as Cargill to continue business as usual on the vast majority of their Cerrado operations, where much of the forest-savannah mosaic and areas of “other wooded land” do not meet this criteria.

The new European Union Deforestation Regulation (EUDR) — which bans imports of soy and six other forest-risk commodities linked to deforestation and forest degradation — also uses the FAO’s limiting definition of “forest”. However, a forthcoming 1-year review of the law by the European Commission in September 2024 could greatly expand its geographic scope to include “other wooded land”⁸¹ — an area covering nearly a billion hectares worldwide.⁸² Doing so would increase the protection of the Cerrado savannah from 26% to 82%, according to Trase.⁸³

Cargill sinks the soy Roadmap

After the Roadmap was announced at COP27 on 7 November 2022⁸⁴ the UK and US Governments sounded a disappointed note.⁸⁵ “Greater ambition and accelerated action is needed,” said John Kerry and UK Climate Minister Graham Stuart, in a joint statement. “It is critical that the soy and cattle sectors pursue a clear commitment to assessing conversion risk and taking ambitious action to address that risk, including establishing a cut-off date in line with science.” Similarly, the Consumer Goods Forum Forest Positive Coalition, which includes 22 major retailers, slammed the soy plan in the Roadmap, too, and said it “lacks necessary ambition

to meet the stated goal of action consistent with a 1.5°C pathway and is at odds with the direction of deforestation due diligence legislation in the EU.”⁸⁶

The Nature Conservancy wrote that the soy sector’s failure stood in sharp contrast to the others: “The progress made by the cattle and palm oil sectors, however, contrasts greatly with the lack of progress made by the soy sector.” “We see these soy commitments as a step backwards in part because they are retreating from a definitional issue that was settled long ago in the Brazilian Forest Code. Importantly, the code does not distinguish habitat types, requiring the protection of both native forests and savannas in legal reserve. The current Roadmap commitments for soy moves away from this, introducing a new definition for deforestation and leaving open the possibility of near-term conversion for critical savanna and woodland ecosystems, potentially releasing significant carbon emissions across the vast Cerrado region. The Gran Chaco, which is also a mixed biome like the Cerrado and spans across four countries, does not have the benefit of a biome-wide policy mechanism such as the Forest Code and could be subject to even greater conversion rates. As two of the global hotspots for soy expansion, we call on the sectors to reconsider the action plan for these critical biomes.”⁸⁷

But who was to blame for the roundtable’s failure to reach a 2025 zero-conversion target? “Two protagonists led the push for the weaker language: Cargill and ADM,” the talks insider said. “If Cargill — or ADM — had not taken those positions, the outcome would have been different.”⁸⁸ Cargill and ADM were two of the three biggest soy exporting companies operating in Brazil in 2020, according to Trase.⁸⁹

In response to questions from Mighty Earth, Jackie Anderson, a spokesperson for ADM, said: “The participants in the 1.5°C roadmap worked together collegially and continue to do so. ADM believes that action must be taken to prevent both deforestation and conversion, and we have a strong record of responsible sourcing and monitoring our supply chains. We have achieved 100% traceability and 99% deforestation and conversion-free supply chains in Brazil, which includes the Cerrado. In 2021, we also committed to eliminating the conversion of native vegetation as soon as possible in our soy supply chains.”⁹⁰

ADM's website says that it aims to end the conversion of native vegetation for soy production "in the shortest time possible."⁹¹ Where Cargill is concerned, two sources with knowledge of the firm's internal workings identified its agricultural commodities division in South America as a key influencer in discussions on the Roadmap conversion issue. "There seemed to be a particular concern from the head of the Brazilian business unit of Cargill, Paulo Sousa, about any changes that might lead to short-term disruption of soybean supplies and trading," said an official associated with Cargill, who spoke on condition of anonymity.

"Paulo was always on the calls and said very little but seemed to have a lot of sway and always cautioned against any change."⁹²

Cargill, which declined to comment to questions from Mighty Earth, also has officials who work specifically on sustainability issues and the insider noted "internal disagreements" within the company over its climate change stance. The person backed CSO arguments that the COP27 Roadmap outcome on soy would lead to "accelerated woodland loss."

One particular concern or danger was that agribusiness companies which have promised to end soy conversion in the Cerrado could find themselves cut out of supply chains after the 2025 cut-off point. "Come 2025 there will be a lot of pissed farmers who used to sell to Louis Dreyfus and Bunge who will come to Cargill because they have a weaker commitment," the insider said. "They are going to gain market share as a result of 'a good business play' and the companies that do have stronger commitments are deeply worried by that possibility."⁹³

Can progress be made at COP28?

Governments, Indigenous communities, environmental advocates, and several major agribusinesses have not given up on the zero-deforestation issue and negotiations for the next round of the COP process in Dubai in November 2023 are continuing. Cargill and

the rest of the sector have pledged to agree on a definition of "habitat conversion" at the COP28 summit in the United Arab Emirates later this year.⁹⁴ They have not, however, committed to agreeing a target date for phasing out soy conversion in the Cerrado, or globally. Time is running out for those opposed to such reforms that are still pretending they will meet the 1.5°C target, and laggards may find themselves much less indulged at COP28 in Dubai this November than at previous COPs. Companies there will be obliged to sign off a global risk assessment for soy conversion, as well as "implementation plans and targets as needed."⁹⁵

"As the soy traders get ready for COP28, they darn well better have a date for eliminating soy conversion!" the senior figure in the talks said.⁹⁶

The former UK International Environment and Climate Minister Lord Goldsmith put it more directly: "Forest destruction and land degradation are the second-biggest sources of planet-heating emissions and should be the easiest to stop."

"There are plenty of companies and countries that have managed to break the link between environmental degradation and agricultural commodities, which are the biggest cause. So it would be unforgivable for a giant company like Cargill to claim publicly to be transforming its supply chain, while at the same time resisting efforts to agree an end to soy-related habitat conversion in the run up to COP27."⁹⁷

Lord Goldsmith added: "Companies should be applauded for genuine efforts, but they should also be called out when they resist reforms that are quite literally essential for the future of our planet."⁹⁸

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- 1) Multiple sources say that Cargill held out against a bid to establish a moratorium for soy plantations on converted habitats in areas such as Brazil’s Cerrado by 2025 in the Soy traders roadmap which was published at COP27 in November 2022. Why did you oppose this?

- 2) Did any other companies – such as ADM – support your stance?
- 3) Was Cargill's positioning on this issue the result of advice from Paulo Sousa, your agricultural commodities chief in South America?
- 4) Is it fair to say that stopping such a moratorium was Cargill's "number one priority" in internal discussions about COP27?
- 5) Is it accurate to say that had Cargill not taken this position, the moratorium would have been approved by a majority of other traders in the roundtable?
- 6) How is blocking a moratorium on soy-related ecosystem destruction (the second largest cause of deforestation) consistent with Cargill's pledge to "eliminat[e] deforestation from our supply chains in the shortest time possible"?
- 7) Why did Cargill push for a choice of words in the COP27 text that NGOs see as a step backwards, in that it introduces definitional distinctions between deforestation and habitat -conversion that are not present in Brazil's Forest Code or the 2019 Accountability Framework Initiative?
- 8) How much revenue did Cargill receive in 2022 from its soy operations in the Cerrado and elsewhere in Brazil?
- 9) Why did you feel that a new definition for "no conversion" was needed for COP28, how have you attempted to do this and what is your new textual proposal?
- 10) Cargill claims to be "transforming our soy supply chain to be deforestation and conversion-free." Yet, in 2020, Fol documents show that your trade representative FEDIOL lobbied in Brussels that "conversion of land for soy is predominantly taking place in previously degraded land or pasture and therefore soy cannot be considered as a driver of deforestation in Brazil." So (i) Does Cargill believe that soy is not a driver of deforestation – and if so, why does your website say that your soy supply chain needs to be "transformed"? (ii) If deforestation is unnecessary because of the widespread availability of degraded lands, why is Cargill financing rogue suppliers that destroy native ecosystems?
- 11) Why has Cargill consistently rejected moratoria for soy plantations on converted Cerrado land and what has your \$30m fund to limit Cerrado forest loss been spent on?
- 12) How do you respond to the legal action filed by ClientEarth which alleges that Cargill performed inadequate – or no – due diligence on Brazilian soy that it trades, handles and ships, for exposure to deforestation and human rights abuses?
- 13) Do you support a 1.5 °C pathway for agribusiness? (Some argue that if your firm had been aware of what this entails, it would never have signed up to it at COP26) And if so, how is this possible without a moratorium on conversion of natural ecosystems for soy?
- 14) Is it true that Cargill is opposed to the moratorium because it would cost you substantial amounts of money, at least in the short to medium term and executive salaries are tied to such returns through bonuses and so on?
- 15) Did Cargill change its position on an end to the conversion of Cerrado ecosystems during the 2016-2018 civil society negotiation in Brazil because of the cover that Bolsonaro's election provided for a continuation of business as usual?
- 16) How do you respond to the charge that your blocking of a soy moratorium was "a good business play" that will lead Cerrado soy suppliers who had previously worked with companies such as Louis Dreyfuss, Bunge and Amaggi – which do have strong conversion commitments - to switch to Cargill after 2025, because of its weaker environmental commitments?

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